

STARTUPS

Canada designs new visa for immigrant entrepreneurs

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Canada plans to create a new class of visa it hopes will attract high-tech and other entrepreneurs to immigrate to the country to start new companies, officials said Tuesday.

It has put a moratorium on issuing its existing entrepreneur visa, which only required an immigrant to hire one person for one year, and intends to initiate a visa that would be issued to people identified by venture capital funds as candidates to create startup firms in Canada. The venture funds would be required to invest in the startups.

The startup visa is one of several changes being undertaken by Citizenship and Immigration Minister Jason Kenney in what he says is an effort to make the immigration system more responsive to Canada's economic needs. "Canada seeks young, ambitious, innovative immigrants who will contribute to Canada's job growth and further drive our economy," said Mr. Kenney's press secretary, Alexis Pavlich.

"The startup visa is an initiative that the government of Canada is exploring to assist in transforming our immigration system into a fast, fair and flexible system that will meet the needs of our economy and help grow our country."

Venture investment funds would choose entrepreneurs to invest in, and the government would try to clear them for entry into Canada within weeks. The idea is to unite Canadian money and foreign brains. An initial source of candidates could be frustrated foreigners in the high-tech sector in the United States who have not been able to land resident status there.

"This program will link brilliant, job-creating, immigrant entrepreneurs with Canadian investors. We want the world's best and brightest to come to Canada – to start businesses and to create jobs in Canada," Ms. Pavlich said.

The program, expected to be unveiled in detail later this year, would set up external safeguards and spot checks to make sure the venture funds are investing as promised. The government will set aside 2,750 visas a year for startup entrepreneurs and their families. Last year it issued about 700 visas under the old entrepreneur class, under which an immigrant could do something as simple as buy a corner store and hire one person, and then get out of the business after a year.

The immigration department said Vancouver-based [Version One Ventures](http://versiononeventures.com/) [<http://versiononeventures.com/>], which invests in five to 10 tech or Internet startups in Canada and

the United States every year, was one of the venture funds it consulted in developing the new visa program. "There are never enough brains in a country," Version One Ventures founder Boris Wertz said. "Every country's going to compete for the best brains in the world."

He cited the case of a team of Romanian engineers who worked in Vancouver but could only get six-month visas, requiring them to leave the country and return repeatedly. Eventually their outfit was sold and they moved to Silicon Valley in California. "We lost them, and part of the reason was always they never had the security that they could really stay in the country (and) focus on building the product," Mr. Wertz said.

Mr. Kenney also intends to revamp a separate investor class visa, which granted people the right to immigrate if they ponied up \$400,000 to \$800,000 to lend to provincial governments.

The biggest changes to the system have been to the skilled worker program, which had a decade-long backlog. By returning years' worth of older applications and by putting a moratorium on new applications, the government hopes to clear the backlog by 2014 and enable new applicants to gain entry in months.

Toronto-Dominion Bank issued a study Tuesday that said Canada would have to increase its annual immigration level to 300,000 after 2016, from the current 250,000, if it wants to keep growth in the labour force in line with the historical trend.

However, TD said that until more is done to improve the economic prospects of newcomers to Canada, it would likely be counter-productive to do so. Responding to the report, Ms. Pavlich said immigration is not a panacea for labor shortages. "Canada already maintains the highest sustained level of immigration in the world.

"In order for Canada to maintain an open and generous immigration system, it is important that Canadians continue to believe that immigration serves our national interest. Canadians have been clear - the vast majority do not want the government to massively increase immigration levels."